

**FY 2003-04  
Budget Detail  
for  
HUMAN SERVICES**

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**Community Health  
Corrections  
Family Independence Agency**



**Summary: Enacted Appropriations  
COMMUNITY HEALTH  
FY 2003-04 Budget House Bill 4392  
Public Act 159 of 2003**

**Analysts: Margaret Alston, Bill Fairgrieve, Sue Frey**

	FY 2002-03 YTD (as of 3/6/03)	Executive	House	Senate	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
<b>IDG/IDT</b>	\$69,172,900	\$69,204,800	\$69,204,800	\$69,204,800	\$69,204,800	\$31,900	0.0
<b>Federal</b>	4,915,609,536	4,890,865,600	4,845,868,100	5,048,870,200	5,243,530,900	327,921,364	6.7
<b>Local</b>	938,759,100	806,552,500	806,552,500	805,256,100	812,256,100	(126,503,000)	(13.5)
<b>Private</b>	64,736,600	59,458,000	57,844,000	57,844,000	57,844,000	(6,892,600)	(10.6)
<b>Restricted</b>	804,921,500	707,327,400	650,962,500	650,962,600	737,408,300	(67,513,200)	(8.4)
<b>GF/GP</b>	2,416,210,412	2,583,938,600	2,648,369,200	2,583,938,600	2,558,570,700	142,360,288	5.9
<b>Gross</b>	<b>\$9,209,409,748</b>	<b>\$9,117,346,900</b>	<b>\$9,078,801,100</b>	<b>\$9,216,076,300</b>	<b>\$9,478,814,800</b>	<b>\$269,405,052</b>	<b>2.9</b>
<b>FTEs</b>	5,672.3	4,672.2	4,388.3	4,388.3	4,388.3	(1,284.0)	(22.6)

*Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.*

**Overview**

The Department of Community Health (DCH) budget provides funding for a wide range of mental health, substance abuse, public health, and medical services programs including Medicaid. Established in 1996, the Department also includes the Office of Drug Control Policy, the Office of Services to the Aging, and the Crime Victim Services Commission. The enacted DCH budget for FY 2003-04 totals \$9.5 billion gross, \$2.6 billion GF/GP in funding.

**Major Budget Changes from FY 2002-03 YTD Appropriations:**

**1. Medicaid Adult Benefits Waiver**

Includes Medicaid program changes proposed by the Executive to provide limited health care benefits for caretaker relatives, persons currently enrolled in state and local indigent care plans, and adults in TANF-eligible households who currently have full Medicaid coverage. Funding to continue adult coverage for hearing aid, podiatric, and chiropractic services was vetoed (Sec. 1630).

	FY 2002-03 YTD (as of 3/6/03)	Enacted Change from YTD
<b>Gross</b>	<b>N/A</b>	<b>(\$158,467,500)</b>
Federal	N/A	(48,567,400)
GF/GP	N/A	(\$109,900,100)

**2. Medicaid Caseload, Utilization, and Inflation Increases**

Additional federal and GF/GP funding is recommended to reflect Medicaid costs associated with inflation, utilization and caseload growth. The increase is \$77.8 million gross, \$32.4 million GF/GP over the Executive Recommendation, based on the consensus Medicaid base spending estimate.

<b>Gross</b>	<b>\$6,071,770,300</b>	<b>\$496,993,600</b>
Federal	4,390,476,200	278,397,800
GF/GP	\$1,681,294,100	\$218,595,800

<b>Major Budget Changes from FY 2002-03 YTD Appropriations:</b>		<b>FY 2002-03 YTD (as of 3/6/03)</b>	<b>Enacted Change from YTD</b>
<b>3. Medicaid Capitation Payment Rate Increase for CMHSPs</b> Recognizes an increase of \$58.9 million for Medicaid Mental Health Services financed in part with local funds from CMHSPs. It also includes \$22.7 million gross, \$10.0 million GF/GP for a 1.6% capitation payment rate increase to CMHSPs. The rate increase is financed by redirecting \$40.0 million from CMH Non-Medicaid Services for the Medicaid Adult Benefits Waiver program.	<b>Gross</b>	<b>\$1,324,695,900</b>	<b>\$81,614,200</b>
	Federal	797,995,200	45,614,200
	Local	0	26,000,000
	GF/GP	\$526,700,700	\$10,000,000
<b>4. Redirection of Funds to CMHSPs</b> Due to the closure of Northville Psychiatric Hospital for Adults with Mental Illness in FY 2002-03, the enacted budget increases funding for CMH Non-Medicaid Services by \$36.7 million GF/GP which has been redirected from CMHSP, Purchase of State Services Contracts. This adjustment corrects the Executive Recommendation in which funding for Medicaid Mental Health Services had been increased by \$83.2 million.	<b>Gross</b>	<b>\$271,346,700</b>	<b>\$36,714,400</b>
	Restricted	1,582,400	0
	GF/GP	\$269,764,300	\$36,714,400
<b>5. Increased Federal Grants for Substance Abuse Services</b> Includes \$4.2 million in additional and new federal grant funds for community substance abuse prevention, education and treatment programs. These funds are to be used as required by federal regulations for the Substance Abuse Block Grant and the State Incentive Grant Program.	<b>Gross</b>	<b>\$76,335,400</b>	<b>\$4,213,000</b>
	Federal	57,744,900	4,213,000
	Restricted	1,460,000	0
	GF/GP	\$17,130,500	\$0
<b>6. Early Retirement Savings</b> Reflects early retirement savings totaling \$11.6 million gross and \$6.1 million GF/GP for FY 2003-04 for the Department of Community Health. These savings are in addition to the net early retirement savings achieved during this fiscal year of \$7.5 million gross and \$5.8 million GF/GP.	<b>Gross</b>	<b>N/A</b>	<b>(\$11,644,900)</b>
	Federal	N/A	(1,069,700)
	Restricted	N/A	(202,600)
	Local	N/A	(4,276,800)
	GF/GP	N/A	(\$6,095,800)
<b>7. Respite Services</b> Includes \$1.0 million GF/GP for respite care services for children with serious emotional disturbances and their families. The increase is financed by a reduction to the worker's compensation program. The Executive Budget proposed the elimination of funding for this line item.	<b>Gross</b>	<b>\$1,000,000</b>	<b>\$0</b>
	Restricted	1,000,000	(1,000,000)
	GF/GP	\$0	\$1,000,000
<b>8. Multicultural Services</b> Adds \$500,000 for the Multicultural Services line item in which these funds would be authorized to the Jewish Federation. The increase is financed from additional GF/GP savings realized from the Medicaid match rate change from 55.42% to 55.89% for Medicaid Mental Health Services.	<b>Gross</b>	<b>\$3,163,600</b>	<b>\$500,000</b>
	GF/GP	\$3,163,600	\$500,000
<b>9. CMH Non-Medicaid Services</b> Allocates \$4.5 million GF/GP for CMH Non-Medicaid Services that has been redirected from CMHSP, Purchase of State Services Contracts due to the rebasing of authorizations for state mental health facilities. This funding was not included in the Executive Budget proposal.	<b>Gross</b>	<b>\$271,346,700</b>	<b>\$4,532,100</b>
	Restricted	1,582,400	0
	GF/GP	\$269,764,300	\$4,532,100
<b>10. Family Planning Waiver</b> A new federal waiver will provide an additional \$2.25 million of federal Medicaid funds to expand family planning and pregnancy prevention services to low income women, as proposed by the Executive. Other funding adjustments of \$753,800 to this program are included in items 13 and 14.	<b>Gross</b>	<b>\$14,160,400</b>	<b>\$2,250,000</b>
	Federal	7,615,200	2,250,000
	Restricted	2,985,100	0
	GF/GP	\$3,560,100	\$0

<b>Major Budget Changes from FY 2002-03 YTD Appropriations:</b>		<b>FY 2002-03 YTD (as of 3/6/03)</b>	<b>Enacted Change from YTD</b>
<b>11. African-American Male Health Initiative Funding</b>	<b>Gross</b>	<b>\$106,700</b>	<b>\$0</b>
Retains \$106,700 of GF/GP funding for the African-American Male Health Initiative. The Executive had proposed to eliminate this funding.	GF/GP	\$106,700	\$0
<b>12. Bioterrorism Preparedness Grant Increase</b>	FTEs	33.0	26.5
Reflects an additional \$41.2 million of federal funds for public health and hospital bioterrorism preparedness, response, and staffing; \$1.0 million is vetoed (Sec. 853).	<b>Gross</b>	<b>\$8,383,700</b>	<b>\$41,196,200</b>
	Federal	8,383,700	41,196,200
	GF/GP	\$0	\$0
<b>13. Public Health Federal Grant Increases</b>	<b>Gross</b>	<b>N/A</b>	<b>\$28,646,700</b>
Appropriates \$28.7 million gross in additional federal grant funds for public health, family health, and aging programs, including \$19.5 million for the Women, Infants, and Children Supplemental Food program, \$3.3 million for senior community and nutrition services, and \$5.9 million for 13 other program areas, as proposed by the Executive.	Federal	N/A	28,646,700
	GF/GP	N/A	\$0
<b>14. Healthy Michigan Fund Revisions</b>	<b>Gross</b>	<b>\$57,765,900</b>	<b>(\$1,148,800)</b>
Replaces GF/GP funds with Healthy Michigan Fund monies for certain chronic disease, smoking, and pregnancy prevention programs, as recommended by the Executive.	Restricted	57,765,900	(1,148,800)
	GF/GP	\$0	\$0
<b>15. School Health Education Funding</b>	<b>Gross</b>	<b>\$102,800</b>	<b>\$500,000</b>
Provides \$500,000 GF/GP for school health education and the Michigan Model for Comprehensive School Health Education.	Federal	102,800	0
	GF/GP	\$0	\$500,000
<b>16. Early Childhood Collaborative Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$524,000</b>
Includes \$524,000 GF/GP for an ongoing cooperative program with the Family Independence Agency and the Department of Education to fund community-based projects that foster healthy development for children 0-3 years of age.	GF/GP	\$0	\$524,000
<b>17. Diabetes Outreach Funding</b>	<b>Gross</b>	<b>\$208,300</b>	<b>\$41,700</b>
Provides \$250,000 GF/GP for statewide and community diabetes outreach programs of the Morris Hood Comprehensive Diabetes Center at Wayne State University, for which state restricted funds are eliminated.	Restricted	208,300	(208,300)
	GF/GP	\$0	\$250,000
<b>18. Pharmaceutical Services Savings</b>	<b>Gross</b>	<b>\$521,491,500</b>	<b>(\$90,443,400)</b>
Recognizes Medicaid savings, as proposed by the Governor, from maximum allowable cost price changes for generic drugs and lower prescription drug prices resulting from the multi-state purchasing initiative.	Federal	291,528,900	(50,443,400)
	Tobacco	8,000,000	0
	GF/GP	\$221,962,600	(\$40,000,000)
<b>19. Medical Services Restructuring Policy Changes</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$29,799,900)</b>
Includes Medicaid, MICHild, and Children's Special Health Care (CSHCS) policy revisions in the Conference Report as proposed by the Executive.	Federal	N/A	(23,597,700)
	GF/GP	N/A	(\$6,202,200)
<b>20. Eligibility for Caretaker Relatives</b>	<b>Gross</b>	<b>N/A</b>	<b>\$47,250,000</b>
Restores Medicaid eligibility for caretaker relatives and replaces \$6.0 million in federal funds with state GF/GP since coverage of this group was not eliminated and will not qualify for enhanced federal matching funds.	Federal	N/A	26,659,200
	GF/GP	N/A	\$20,590,800
<b>21. Medicaid Special Financing Payments</b>	<b>Gross</b>	<b>\$1,079,094,900</b>	<b>(\$256,662,800)</b>
Concurs with the Executive proposed adjustments to reduce Medicaid special financing payments due to federal policies that limit the amount of such payments. As a result, state GF/GP revenues to fund the Medicaid program are increased.	Federal	670,336,700	(153,805,800)
	Local	840,638,900	(232,561,400)
	Restricted	160,429,500	(16,981,500)
	GF/GP	(\$592,310,200)	\$146,685,900

<b>Major Budget Changes from FY 2002-03 YTD Appropriations:</b>		<b>FY 2002-03 YTD (as of 3/6/03)</b>	<b>Enacted Change from YTD</b>
<b>22. Federal Medicaid Fiscal Relief</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Allocates \$168.4 million in federal funds due to the recently-enacted temporary increase in the federal Medicaid match rate to 58.84% through June 2004.	Federal	N/A	168,400,000
	GF/GP	N/A	(\$168,400,000)
<b>23. Tobacco Settlement Revenue Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Appropriates an additional \$27.4 million in tobacco settlement funds to replace state GF/GP that would be required for the Medicaid program rather than the \$126.7 million tobacco settlement revenue increase proposed by the Executive.	Restricted	N/A	27,384,000
	GF/GP	N/A	(\$27,384,000)
<b>24. Detroit Medical Center</b>	<b>Gross</b>	<b>N/A</b>	<b>\$50,000,000</b>
Provides \$50.0 million as a special Medicaid payment to the Detroit Medical Center to stabilize the hospital system and prevent service reductions.	Federal	N/A	27,945,000
	Local	N/A	7,000,000
	Restricted	N/A	15,055,000
	GF/GP	N/A	\$0

**Major Boilerplate Changes from FY 2002-03:**

***Sec. 206. Contingency Funds – DELETED***

Appropriates up to \$100.0 million in federal contingency funds, up to \$20.0 million in state restricted contingency funds, up to \$20.0 million in local contingency funds, and up to \$10.0 million in private contingency funds. Specifies that contingency funds are not available for expenditure until transferred according to provisions in Section 393(2) of the Management and Budget Act. The enacted budget does not retain current-year language in which the Executive proposed to increase the ceiling on state restricted contingency funds and local contingency funds from \$20.0 million to \$50.0 million.

***Sec. 224. Appropriation of Unexpended and Unreserved General Fund – NOT INCLUDED***

Excludes new language recommended by the Executive to appropriate up to one-half of the unexpended and unreserved GF/GP portions of FY 2002-03 appropriations made to the Department for salaries and wages expenses, contractual services, supplies and material expenses, information technology expenses, and program operation costs in order to encourage administrative efficiencies.

***Sec. 262. Expenditure of Appropriated Funds – MODIFIED***

Modifies current year language to require the Department to provide a written explanation for all legislative transfers upon submission of the request for the legislative transfer by the Department of Management and Budget and an annual report of lapses by line item for this appropriation act. The Executive proposed the deletion of this section.

***Sec. 428. Contingency Appropriation of \$100 Million for CMHSPs – MODIFIED***

Modifies current-year language that requires each CMHSP and affiliation of CMHSPs to provide local funds to be used as state match required under the Medicaid program in order to increase capitation rates for CMHSPs and affiliations of CMHSPs. This section also requires the distribution of the rate increase to be based on a formula developed by a Committee established by the Department that includes representatives from CMHSPs or affiliations of CMHSPs and Department staff. This section had been proposed for deletion by the Executive.

***Sec. 442. Medicaid Adult Benefits Waiver – MODIFIED***

Revises current-year language to express the Legislature's intent that the \$40.0 million transferred from CMH Non-Medicaid Services to support the Medicaid Adult Benefits Waiver be used to provide state match for increases in federal funding for primary care and specialty services provided to enrollees and economic increases for the Medicaid specialty services and supports program. Also requires the Department to request in a Medicaid Specialty Services waiver renewal application that the amount of savings retained by a Specialty Prepaid Health Plan (PHP) be changed from 5% to 7.5% of aggregate capitation payments. If the Department is unable to secure federal approval for this change, the Department is then required to allow PHPs and their affiliate CMHSP members to retain 50% of the GF/GP portion of funds allocated under the Medicaid Specialty Services waiver. This section had been proposed for deletion by the Executive.

***Sec. 450. Audit and Reporting Requirements for CMHSPs – NEW***

Requires DCH to establish a Work Group comprised of CMHSPs or specialty prepaid health plans and departmental staff to recommend strategies to streamline audit and reporting requirements for these entities.

**Major Boilerplate Changes from FY 2002-03:*****Sec. 853. Bioterrorism Preparedness Funding Allocation – VETOED***

New language to allocate up to \$1.0 million of federal bioterrorism preparedness funding to a Biosafety Level 2/3 certified laboratory facility, as allowed by federal law and regulations.

***Sec. 1109. Volunteer Dental Services Program and Report - MODIFIED***

Requires the Michigan Dental Association to report on the Association's efforts to increase its membership's participation as Medicaid providers. New subsection.

***Sec. 1250. Interdepartmental Grant to Judiciary for Drug Treatment Courts – NEW***

Provides for \$1.8 million of federal Byrne grant money to be directed as an interdepartmental grant to the Judiciary for local drug treatment courts, in addition to the \$1.8 million funding that the Department currently distributes to local drug treatment courts from the Byrne grant, as proposed by the Executive.

***Sec. 1621a. Disease Management Pilot Projects – NEW***

Allows DCH to establish pilot projects to test the efficacy of disease/health management systems and use the savings in lieu of supplemental rebates to include the drug manufacturer's products on the preferred drug list.

***Sec. 1625. Atypical Antipsychotic Medications – NEW***

Directs the Department to continue the practice of placing all atypical antipsychotic medications on the Medicaid preferred drug list.

***Sec. 1628. CSHC Prior Authorization for Prescribed Drugs – VETOED***

Exempts Children's Special Health Care Services recipients from needing prior authorization for prescribed drugs through the Pharmaceutical Best Practice initiative.

***Sec. 1629. Maximum Allowable Cost (MAC) Drug Pricing – NEW***

Requires the Department to base its MAC prices for generic drugs on the pricing available from at least two wholesalers who deliver in Michigan.

***Sec. 1630. Medicaid Dental, Podiatric, and Chiropractic Services – VETOED***

Continues hearing aid, podiatric, and chiropractic services at not less than the level provided on October 1, 2002. Prohibits restrictions on chiropractic services unless the recipient exceeds 18 visits within a year.

***Sec. 1689. MIChoice Home and Community Based Services – MODIFIED***

Gives priority in HCBS enrollment to nursing home residents and those eligible for nursing homes, and requires screening to prevent unnecessary nursing home admissions. Directs DCH to transfer funds to the HCBS program for successfully moving persons out of nursing homes if there is a net reduction in the number of Medicaid nursing home days of care. Provides for a quarterly report on HCBS allocations and expenditures by regions and net cost savings. Requires competitive bid for administration of the new screening and assessment process for long-term care services.

***Sec. 1715. Pharmaceutical Services Savings – NEW***

Requires the pharmaceutical savings of \$18.9 million GF/GP in Part 1 to be achieved through implementation of the federal Medicare prescription drug program, or a withdrawal from the Medicaid Benefits Trust Fund.

***Sec. 1716. Adult Benefits Waiver Hospital Case Rate – VETOED***

Requires the hospital case rate under the Medicaid Adult Benefits Waiver to be set at a rate that does not exceed \$108.6 million in gross savings.

***Sec. 1717. Detroit Medical Center Payment – NEW***

Requires \$7.0 million in local funds to be received by the state prior to distributing the Detroit Medical Center payment.

**CORRECTIONS**

**Summary: Enacted Appropriations**  
**CORRECTIONS**  
**FY 2003-04 House Bill 4390**  
**Public Act 154 of 2003**

**Analyst: Marilyn B. Peterson**

	FY 2002-03 YTD (as of 3/6/03)	Executive	House	Senate	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
<b>IDG/IDT</b>	\$3,318,500	\$3,253,600	\$3,253,600	\$3,253,600	\$3,253,600	(\$64,900)	(2.0)
<b>Federal</b>	26,403,400	27,798,400	27,798,400	27,798,400	27,798,400	1,395,000	5.3
<b>Local</b>	391,100	391,100	391,100	391,100	391,100	0	0.0
<b>Private</b>	0	0	0	0	0	0	0.0
<b>Restricted</b>	55,750,600	60,748,800	60,858,800	60,858,800	60,858,800	5,108,200	9.2
<b>GF/GP</b>	1,599,803,231	1,632,315,300	1,623,748,700	1,632,199,800	1,632,205,300	32,402,069	2.0
<b>Gross</b>	<b>\$1,685,666,831</b>	<b>\$1,724,507,200</b>	<b>\$1,716,050,600</b>	<b>\$1,724,501,700</b>	<b>\$1,724,507,200</b>	<b>\$38,840,369</b>	<b>2.3</b>
<b>FTEs</b>	18,843.9	18,308.7	18,308.7	18,266.7	18,312.7	(531.2)	(2.8)

*Note: FY 2002-03 figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 5, 2003.*

**Overview**

The budget for the Department of Corrections (MDOC) funds the state prison system, supervision of parolees and felony probationers, community placement of selected prisoners, and a variety of offender programs, most notably treatment and education. It also funds training of corrections officers and centralized functions of administration, research, and financial operations. Prison construction, however, is not funded through the MDOC budget, but rather through Capital Outlay.

Current-year appropriations for prisoner custody and care amount to roughly 85% of the total MDOC authorization, and growth in the prison population has been largely responsible for growth in the corrections spending, particularly of the state GF/GP revenues that account for about 95% of the current Corrections budget. Over the past two decades, prison population, inflation-adjusted Corrections GF/GP spending, and Corrections' share of total state GF/GP all have more than tripled. As of June 20, 2003, the prison and camp population stood at 48,534, and Corrections' GF/GP authorization was about 18% of total state GF/GP.

<b><u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u></b>		<b>FY 2002-03 YTD (as of 3/6/03)</b>	<b>Enacted Change from YTD</b>
<b>ALTERNATIVES TO PRISON INCARCERATION</b>			
<b>1. Conditional Reintegration Program (CRP)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$7,897,200</b>
Funds new Conditional Reintegration Program, under which selected prisoners would be placed in centers or on tether immediately prior to parole. Funded with \$6.0 million prison cost savings and \$1.9 million in collections from program participants. Originally-projected bed space savings of 1,375 beds was pared to roughly 750 due to decision to avoid changes to truth-in-sentencing statute.	Restricted	0	1,865,100
	GF/GP	\$0	\$6,032,100



<b>Major Budget Changes from FY 2002-03 YTD Appropriations:</b>		<b>FY 2002-03 YTD (as of 3/6/03)</b>	<b>Enacted Change from YTD</b>
<b>2. County Jail Reimbursement Program (CJRP)</b> Provides counties with per-diem payments for housing certain offenders; reimbursement criteria and rates are set in annual budget act boilerplate. Criteria revised to delete third-offense drunk driving (OUIL 3) as a stand-alone criterion; for OUIL offender's jail term to qualify for reimbursement, offender would have a sentencing guidelines score reflective of a prison sentence. Predicted savings: \$7.0 million, \$5.5 million of which is redirected to other local programs (see below). Distributions to other line items offset by anticipated \$1.0 million increase in civil infraction revenues.	<b>Gross</b>	<b>\$17,700,000</b>	<b>(\$4,451,000)</b>
	Restricted	17,700,000	(4,451,000)
<b>3. Local Housing Program</b> Uses \$2.5 million of the savings achieved through CJRP criteria change to fund new line item to be used to lease local beds to house state prisoners, should that become necessary.	<b>Gross</b>	<b>\$0</b>	<b>\$2,451,000</b>
	Restricted	0	\$2,451,000
<b>4. Drunk Driver Program</b> Increases local resources for treating and housing felony drunk drivers with new line item funded with \$3.0 million of the savings achieved through the change in CJRP. Funding to be used for assessment, treatment, and local housing of felony drunk drivers; collateral purpose of opening jail beds for housing additional offenders who meet jail reimbursement criteria by virtue of their sentencing guideline scores.	<b>Gross</b>	<b>\$0</b>	<b>\$3,000,000</b>
	Restricted	0	3,000,000
<b>5. Parole and Probation Services</b> Increases spending of the statutory 20% set-aside of parole and probation oversight fees. Spending to be used to enhance services in conjunction with the proposed conditional reintegration program (CRP).	<b>Gross</b>	<b>\$2,455,300</b>	<b>\$1,412,000</b>
	Restricted	2,455,300	1,412,000
<b>6. Community Corrections Grant Programs</b> Reverses current-year Executive Order reductions to community corrections grant programs. Restores \$651,700 to Comprehensive Plans and Services and \$1.3 million to Probation Residential Centers.	<b>Gross</b>	<b>\$26,066,300</b>	<b>\$1,963,700</b>
	Restricted	1,492,100	0
	GF/GP	\$24,574,200	\$1,963,700
<b>PRISON AND CAMP BED SPACE CHANGES</b>			
<b>7. Youth Correctional Facility</b> Includes additional \$1.4 million for anticipated cost of new contract, and \$770,700 to recognize 30-bed increase gained through double-bunking administrative segregation unit. Addition of GF/GP funding offsets depletion of federal grant.	<b>Gross</b>	<b>\$11,400,700</b>	<b>\$2,167,000</b>
	Federal	11,400,700	(1,124,500)
	GF/GP	\$0	\$1,124,500
<b>8. Beds Open and Partially Funded in Prior Year</b> Includes funding to meet full-year costs of beds open and receiving partial-year funding in the current fiscal year (485 beds at Egeler's C Unit, 240 beds each at Macomb and Saginaw, 210 beds through double-bunking at Riverside).	<b>Gross</b>	<b>\$6,871,700</b>	<b>\$8,217,900</b>
	GF/GP	\$6,871,700	\$8,217,900
<b>9. Beds Open and Unfunded in Prior Year</b> Funds full-year costs of beds open and receiving no funding in the current fiscal year (56 beds at Lakeland, 42 beds at Cotton, 50 beds at Crane, 24 beds at Egeler, and 99 beds at 11 different locations).	FTEs	0.0	15.6
	<b>Gross</b>	<b>\$0</b>	<b>\$2,255,200</b>
	GF/GP	\$0	\$2,255,200

**CORRECTIONS**

<b><u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u></b>		<b>FY 2002-03 YTD (as of 3/6/03)</b>	<b>Enacted Change from YTD</b>
<b>10. Camp Lehman</b>	FTEs	29.4	(23.0)
reflects reduction of 200 beds and associated funding support in FY 2003-04. Current-year budget includes \$2.4 million and 29.4 FTEs to support a planned double-bunking of 240 beds at Camp Lehman as the result of plans revised due to difficulties securing adequate water and sewer service at that site.	<b>Gross</b>	<b>\$2,410,600</b>	<b>(\$1,389,200)</b>
	GF/GP	\$2,410,600	(\$1,389,000)
<b>PRISONER HEALTH CARE AND PROGRAMS</b>			
<b>11. Managed Care Contract</b>	<b>Gross</b>	<b>\$52,729,100</b>	<b>\$8,138,400</b>
Includes Executive-recommended increase to meet costs of new managed care contract for prisoner hospital and specialty care, which takes effect April 1, 2003.	GF/GP	\$52,729,100	\$8,138,400
<b>12. Pharmaceutical Cost Increases</b>	<b>Gross</b>	<b>N/A</b>	<b>\$5,051,700</b>
Includes additional \$5.1 million for pharmaceutical price and volume increases, including an increase of \$674,900 for psychotropic medications.	GF/GP	N/A	\$5,051,700
<b>13. Health Care Co-Pay</b>	<b>Gross</b>	<b>\$100,200,800</b>	<b>\$0</b>
Recognizes actual collections with \$90,000 increase in prisoner health care co-pay revenues, plus another \$110,000 in additional revenue through assumed increase (from \$3 to \$5) in co-pay amount.	Restricted	101,200	200,000
	GF/GP	\$100,169,600	(\$200,000)
<b>14. Academic/Vocational Programs</b>	FTEs	475.5	(36.0)
Saves \$2.6 million by eliminating funding for education programs for maximum-security prisoners.	<b>Gross</b>	<b>\$35,177,700</b>	<b>(\$2,567,000)</b>
	GF/GP	\$35,177,700	(\$2,567,000)
<b>MISCELLANEOUS PERSONNEL AND ADMINISTRATIVE MATTERS</b>			
<b>15. New Corrections Officer Training</b>	<b>Gross</b>	<b>\$10,968,600</b>	<b>(\$7,968,400)</b>
Assumes no increase in prison capacity, and therefore funds training for only as many new corrections officers as needed to accommodate staff turnover. Result is a decrease from current funding level.	GF/GP	\$10,968,600	(\$7,968,400)
<b>16. FY 2001-02 Early Retirement Program</b>	<b>Gross</b>	<b>N/A</b>	<b>\$23,370,900</b>
Includes additional funding needed as a result of FY 2001-02 early retirement program. Figure is the net of increased costs due to statewide apportionment of retiree health care (\$28.3 million GF/GP) and savings accruing through retirements that were delayed until current year (\$5.3 million gross and GF/GP).	Restricted	N/A	319,000
	GF/GP	N/A	\$23,051,900
<b>17. Administrative and Support Staffing</b>	FTEs	N/A	(170.5)
Reduces administrative and support staffing by 170.5 FTEs, with associated funding reduction.	<b>Gross</b>	<b>N/A</b>	<b>(\$10,180,800)</b>
	GF/GP	N/A	(\$10,180,800)
<b>18. Leap Year Funding</b>	<b>Gross</b>	<b>N/A</b>	<b>\$3,937,900</b>
Includes one-time funding of \$3.9 million for costs deriving from having an additional day in FY 2003-04.	Restricted	N/A	55,500
	GF/GP	N/A	\$3,882,400

**Major Boilerplate Changes from FY 2002-03:****Secs. 218, 262(3), New Sec. 218. Hepatitis C – NEW**

Renumbers and retains current-year sections requiring prisoner education on Hepatitis C (Sec. 218) and giving prisoners opportunity to be tested prior to parole [Sec. 262(3)]. Further requires Department to conduct survey of prisoner intake to determine the incidence of Hepatitis C among the prisoner population (new Sec. 218).

**Major Boilerplate Changes from FY 2002-03:*****Sec. 224. Unfunded Economics – NEW***

Requires Department to report on how it will implement reductions to compensate for unfunded economic increases in salaries, insurance, and retirement.

***Sec. 406. Prisoner Transport – NEW***

Requires cost/benefit analysis on privatizing prisoner transport.

***Sec. 706. County Jail Reimbursement Program – MODIFIED***

"For the purpose of reimbursing counties for housing in jails felons who otherwise would have been sentenced to prison," the county jail reimbursement program provides counties with per diem payments under criteria set by boilerplate language. Two sets of criteria exist: one applying to offenders sentenced under comprehensive sentencing guidelines enacted in 1998 (which apply to offenses occurring on or after January 1, 1999), the other to offenders sentenced for offenses occurring prior to January 1, 1999. Each set allows qualification by virtue of either of two things: a sentencing guidelines score indicative of a prison sentence, or a conviction for third-offense drunk driving (OUIL 3). Criteria applicable to pre-1999 offenses also include certain habitual offenders. Budget act for FY 2003-04 eliminates OUIL 3 as a stand-alone criterion, thus conditioning qualification on one of the remaining criteria and generating savings estimated at \$7.0 million. Savings are split three ways: \$1.5 million to stay with the county jail reimbursement program (thus providing additional funds for reimbursements for offenders diverted from likely prison sentences); \$2.5 million to go into a local housing program line item (see below); and \$3.0 million to go into a new felony drunk driver program (see below).

***Sec. 707. Local Housing Program – NEW***

Uses \$2.5 million of jail reimbursement savings for new line item to be used to reimburse local units of government for housing state prisoners, should that become necessary.

***Sec. 710. Felony Drunk Driver Program – NEW***

Uses \$3.0 million of jail reimbursement savings for new program to provide additional resources to assess, house, and treat felony drunk drivers, and to open jail space for housing additional offenders whose sentencing guidelines scores are indicative of prison sentences, and who therefore would continue to qualify for reimbursement under the county jail reimbursement program.

***Sec. 905. "Frequent Flyers" – NEW***

Requires Department to identify and manage prisoners who abuse the availability of medical services by obtaining transportation to off-site medical care when unnecessary or reasonably avoidable.

**Summary: Enacted Appropriations  
FAMILY INDEPENDENCE AGENCY  
FY 2003-04 Senate Bill 283  
Public Act 172 of 2003**

**Analysts: Erin Black, Richard Child, Bill Fairgrieve**

	FY 2002-03 YTD (as of 2/26/03)	Executive	Senate	House	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
<b>IDG/IDT</b>	\$978,800	\$1,055,800	\$1,055,800	\$1,055,800	\$1,055,800	\$77,000	7.9
<b>Federal</b>	2,773,916,471	2,697,630,071	2,697,630,050	2,702,130,150	2,679,842,950	(94,073,521)	-3.4
<b>Local</b>	66,956,700	65,097,100	65,097,100	65,097,100	65,097,100	(1,859,600)	-2.8
<b>Private</b>	9,856,850	9,472,150	9,472,150	9,472,150	9,472,150	(384,700)	-3.9
<b>Restricted</b>	70,370,500	70,096,800	70,096,800	70,096,800	70,096,800	(273,700)	-0.4
<b>GF/GP</b>	1,115,085,079	1,102,339,379	1,102,339,400	1,102,344,900	1,133,739,400	18,654,321	1.7
<b>Gross</b>	<b>\$4,037,164,400</b>	<b>\$3,945,691,30</b>	<b>\$3,945,691,300</b>	<b>\$3,950,196,900</b>	<b>\$3,959,304,200</b>	<b>(\$77,860,200)</b>	<b>-1.9</b>
<b>FTEs</b>	12,501.1	10,771.6	10,771.6	10,774.6	10,774.6	(1,726.5)	-13.8

*Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.*

**Overview**

The Family Independence Agency (FIA) budget provides funding for a wide range of programs and services to help improve the quality of life in Michigan by protecting children and vulnerable adults, delivering juvenile justice services, and providing support to strengthen families and individuals striving for independence. The FY 2003-04 enacted budget includes Gross appropriations of \$3.96 Billion and General Fund/General Purpose funding of \$1.11 Billion.

<b><u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u></b>		<b>FY 2002-03 YTD (as of 3/6/03)</b>	<b>Enacted Change from YTD</b>
<b>1. Employment and Training Support Services - VETOED</b>	<b>Gross</b>	<b>\$14,064,200</b>	<b>(\$715,500)</b>
Provides a \$25,000 increase in the Fatherhood program, and increases the Marriage Initiatives program by \$512,500. Both programs were eliminated in the Executive Recommendation. (See Sec. 415 and Sec. 416)	Federal	13,339,100	(715,500)
	GF/GP	\$725,100	\$0
<b>2. Foster Care Payments</b>	<b>Gross</b>	<b>\$245,010,600</b>	<b>(\$30,943,500)</b>
Includes \$30.9 million in various base funding reductions, primarily related to a caseload decline as recommended by the Executive and a technical adjustment for removal of supervised independent living contracts.	Federal	108,078,000	(16,803,700)
	Local	34,918,000	0
	Private	5,033,900	0
	GF/GP	\$96,980,700	(\$14,139,800)
<b>3. Adoption Subsidy Program</b>	<b>Gross</b>	<b>\$204,952,800</b>	<b>\$14,433,400</b>
Concurs with the Executive, Senate, and House caseload adjustments totaling \$18.0 million and a reduction of \$3.6 million to limit adoption subsidy payments to age 19 instead of age 21 for those who have not completed high school.	Federal	126,180,200	9,409,200
	GF/GP	\$78,772,600	\$5,024,200

<b><u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u></b>		<b>FY 2002-03 YTD (as of 3/6/03)</b>	<b>Enacted Change from YTD</b>
<b>4. Teen Parent Counseling</b> Reduces funding for the Teen Parent Counseling program by 9.4% (\$390,800). The Executive recommended elimination of the program while the Senate included a 5% reduction and the House a 10% reduction. Concurs with Executive and Senate proposed base adjustments of \$56,400. Sec. 523 requires recipients of Teen Parent Counseling funds to provide at least 10% in matching funds.	<b>Gross</b>	<b>\$4,218,500</b>	<b>(\$447,200)</b>
	Federal	4,218,500	(472,600)
	GF/GP	\$0	\$25,400
<b>5. Family Preservation and Prevention Services</b> Includes \$8.2 million in total reductions as recommended by the Executive. Specifies in Sec. 546 that the \$8.0 million program reduction shall be based on an equal percentage basis for all programs receiving funds except for the 0-3 secondary prevention program that shall be maintained at FY 2002-03 levels.	<b>Gross</b>	<b>\$74,469,700</b>	<b>(\$8,184,100)</b>
	Federal	74,183,400	(8,142,700)
	GF/GP	\$286,300	(\$41,400)
<b>6. Child Care Fund</b> Transfers the Child Care Fund line, recognizes anticipated expenditure growth, and annualizes the TANF claim for in-home services. Does not include proposed increase in state reimbursement for in-home services from 50% to 75% or the transfer to the new Enhanced Child Care Fund line. Includes the consensus caseload adjustments.	<b>Gross</b>	<b>\$139,500,000</b>	<b>\$29,337,900</b>
	Federal	53,104,400	11,033,500
	GF/GP	\$86,395,600	\$18,304,400
<b>7. Family Independence Program</b> Recognizes \$34.8 million in savings from the current-year budgeted FIP caseload as proposed by the Governor, but restores \$31.3 million GF/GP for the consensus caseload recommendation. Includes \$440,000 for an increase in the annual child clothing allowance to \$40 per child. Also, the Executive proposed elimination of the \$3.0 million Kinship Care Pilot Program is rejected, but the Conference Committee report reflects a 10% reduction in the program totaling \$300,000.	<b>Gross</b>	<b>\$376,339,600</b>	<b>(\$7,000,000)</b>
	Federal	168,339,400	(38,300,000)
	Restricted	50,449,300	(238,600)
	GF/GP	\$157,550,900	\$31,538,600
<b>8. State Disability Assistance Program</b> Includes \$1.9 million in program base adjustments as proposed by the Governor. Increases funding by \$1.4 million to reflect a portion of the consensus caseload recommendation. An additional \$3.3 million caseload adjustment is appropriated in Sec. 413 from the child support penalty refund.	<b>Gross</b>	<b>\$22,139,900</b>	<b>\$1,373,500</b>
	Restricted	5,108,800	0
	GF/GP	\$17,035,100	\$1,373,500
<b>9. State Emergency Relief</b> Concurs with the Executive, Senate, and House base adjustments and a reduction of indigent burial payments by \$167 per burial saving \$952,000. Does not include the \$500,000 increase in the House version to partially restore the emergency shelter per diem rate from \$12.00 to \$12.50.	<b>Gross</b>	<b>\$43,132,600</b>	<b>(\$1,724,400)</b>
	Federal	14,795,600	(719,200)
	GF/GP	\$28,337,000	(\$1,005,200)
<b>10. Low Income Energy Assistance Program Weatherization Assistance</b> Recognizes increased federal funding available for the Low Income Home Energy Assistance Program (\$30.5 million) and the Weatherization Program (\$5.0 million).	<b>Gross</b>	<b>\$96,903,600</b>	<b>\$35,504,900</b>
	Federal	96,903,600	35,504,900
	GF/GP	\$0	\$0

<b><u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u></b>		<b>FY 2002-03 YTD (as of 3/6/03)</b>	<b>Enacted Change from YTD</b>
<b>11. Day Care Services</b> Concurs with the Executive proposed \$6.2 million base decrease, \$35.0 million increase to cover caseload spending adjustments, and a reduction of \$4.4 million to no longer allow exceptions to the 100 hours of care per two-week pay period limit. An additional \$9.9 million GF/GP is included to reflect the consensus caseload adjustment. The Before- and After-School Program funding is maintained, but with a 10% reduction (\$950,000), as contained in the House version. The Executive recommended elimination of the program and the Senate reduced it by \$1.0 million. Sec. 657 specifies the funding for the program.	<b>Gross</b>	<b>\$456,972,300</b>	<b>\$33,271,700</b>
	Federal	253,606,100	44,420,300
	GF/GP	\$203,366,200	(\$11,148,600)
<b>12. Food Stamp Reinvestment</b> Adds \$12.7 million GF/GP for Food Stamp Reinvestment earmarked for reducing food stamp issuance error rates and a set aside in anticipation of additional federal food stamp error penalties.	<b>Gross</b>	<b>\$5,700,000</b>	<b>\$12,726,300</b>
	GF/GP	\$5,700,000	\$12,726,300
<b>13. Information Technology Cost Reductions</b> Concurs with the Executive reduction of \$34.3 million in the area of information systems associated with Child Support Enforcement System development costs and information technology services and data enhancement programs. The enacted bill includes additional reductions totaling \$11.2 million.	<b>Gross</b>	<b>\$178,675,900</b>	<b>(\$45,479,500)</b>
	IDG	150,000	(150,000)
	Federal	121,472,421	(36,449,900)
	Local	257,600	(257,600)
	Restricted	11,032,200	(5,620,000)
	GF/GP	\$45,763,679	(\$3,002,000)

**Major Boilerplate Changes from FY 2002-03:**

**GENERAL SECTIONS**

***Sec. 206. Contingency Fund Appropriations – DELETED***

Deletes language that enables the Department to receive additional federal, local, private, and state restricted contingency funds but prohibits expenditure unless funds are transferred to a line item in the act. The Executive had proposed to retain this section.

***Sec. 222. Additional Appropriation Authorization – NOT INCLUDED***

Does not include the Executive proposal to allow the Department to spend a portion of unexpended or unreserved FY 2002-03 GF/GP funds in identified areas for the same purposes in FY 2003-04.

***Sec. 261(2). Local Office Restructuring – NEW***

Requires FIA to implement a plan to save \$2.0 million by restructuring local field offices in counties with more than ten local offices and provide a report on the plan by January 1, 2004.

***Sec. 270-274, 276. Reporting Requirements – NEW***

Includes various new FIA reporting requirements related to uniform reporting standards (Sec. 270), child and family services federal review (Sec. 271), Federal Title IV-E foster care eligibility review (Sec. 272), a report on policy changes (Sec. 273), a report on federal grant activity (Sec. 274), and retention of departmental reports (Sec. 276).

***Sec. 275. Prohibits Use of Funds for Advertising – NEW***

Prohibits FIA from using funds for billboard advertising unless required in state or federal regulation. Executive does not include this section.

**FAMILY INDEPENDENCE SERVICES ADMINISTRATION**

***Sec. 413. Child Support Enforcement System Penalty Refund – PARTIALLY VETOED***

Appropriates up to \$12.7 million of the Child Support Enforcement System penalty refund. The remainder of the refund, \$16.1 million, is appropriated for FY 2002-03 in Sec. 1001, which is discussed below. The Governor vetoed \$1.5 million in innovation grants, \$1.5 million for Project Zero and volunteer services, \$100,000 for Medicaid spend down analysis, \$500,000 for Effective Family Formation, \$1.8 million for foster care and adoption rate increases, and another \$1.8 million in Federal matching funds for the same increases, \$50,000 for the One Church One Child Program, \$50,000 for Medicaid-eligible teen parent adoption counseling, and \$1.5 million for the Amer-I-Can Program.

**Major Boilerplate Changes from FY 2002-03:**

***Sec. 415. Fatherhood Initiative – VETOED***

Allows the Department to spend up to \$500,000 in TANF to fund a fatherhood initiative program.

***Sec. 416. Marriage Initiative – VETOED***

Allows the Department to spend up to \$750,000 in TANF to fund a marriage initiative using licensed providers.

***Sec. 418. Individual Development Accounts (IDA) Plan – VETOED***

Continues current-year language requiring FIA to maintain a plan to provide for the implementation of Individual Development Accounts. Includes House language appropriating \$200,000 to the Michigan IDA Partnership with the intent of appropriating the same amount in each of the next four years.

***Sec. 420. Welfare to Career Innovation Grant – VETOED***

Directs the Department to allocate \$40,000 in TANF funds to replicate the Kent County model with Cascade Engineering in four other counties.

**CHILD AND FAMILY SERVICES**

***Sec. 523(3). Teenage Parent Counseling Funds – NEW***

Requires agencies receiving Teenage Parent Counseling funds to provide at least 10% in matching funds.

***Sec. 532(2). Child and Family Agency Contract Compliance and Licensing Review – NEW***

Requires FIA to develop a streamlined licensing and contract compliance review process and a report on the new review process by April 1, 2004.

***Sec. 533 Prompt Payment to Child Placing Agencies – REVISED***

Revises current law that requires payment to child placing agencies within 30 days.

***Sec. 537. Foster Care Placement - First Opportunity – REVISED***

Requires FIA to offer private nonprofit agencies the first opportunity to provide foster care services for new children if it has a child to caseworker ratio not more than the Department's child to caseworker ratio. Also provides a report on public-private service cost similarities and differences.

***Sec. 543. Training to Reduce Underage Youth Criminal Sexual Conduct – NEW***

Requires the Department to develop an education and training plan to reduce the incidence of criminal sexual conduct involving underage youth. Also requires a report.

***Sec. 544. Accelerated Residential Treatment Pilot Projects – NEW***

Directs the Department to consider approval of pilot projects with applications pending for accelerated residential treatment.

***Sec. 545. Specialized Foster Care Program Freeze – NEW***

Specifies that the Department shall eliminate the current administrative freeze on approval of new specialized foster care programs.

***Sec. 546. Family Preservation and Prevention Services Reduction – NEW***

Requires the \$8.0 million reduction in the Family Preservation and Prevention Services line item to be based on an equal percentage basis for all programs receiving funds except for the 0-3 secondary prevention program that shall be maintained at FY 2002-03 levels.

**PUBLIC ASSISTANCE**

***Sec. 613. Indigent Burial Charge Limit and Report Requirements – REVISED***

Reduces the maximum allowable charge limit of \$1,114 for indigent burials to \$947 per case and removes reporting requirement. House adds a report on the number of burials and cremations, as well as the amount spent for each.

***Sec. 657. Before- or After-School Program – REVISED***

Requires the Department to continue to offer a before- or after-school program pilot for school-aged children with funding of up to \$8.55 million, instead of \$10.0 million in current law, and provide a report on the pilot.

***Sec. 666. Federal Earned Income Tax Credit – REVISED***

Directs the Department to develop and implement a plan to increase FIP recipient participation in the federal Earned Income Tax Credit. House adds language that requires the plan to be done in conjunction with the MSU Extension Services and a report by December 31, 2003.

**Major Boilerplate Changes from FY 2002-03:**

***Sec. 668. SMART Moves Program – REVISED***

Restores vetoed language authorizing the Department to develop a community-based child care program for children ages 6 to 15. New language states that FIA may expend up to \$250,000 for a pilot program and provides funding priority to programs that provide at least 10% match.

***Sec. 669(2). Annual School Clothing Allowance – REVISED***

Requires the Department to allocate \$4.7 million for the annual school clothing allowance and notify eligible recipients of participating retailers that offer discounts. House adds intent language for the Department to expand outreach to retailers encouraging them to offer discounts.

***Sec. 671. Benefit Bank Internet-Based Information System – NEW***

Allows the Department to work with private nonprofit service providers to implement an internet-based information system providing centralized eligibility information and electronic application forms.

***Sec. 672. Food Assistance Outreach Efforts – NEW***

Provides for a report to the Legislature on the Department's Food Assistance outreach efforts by February 1, 2004.

***Sec. 673. Client Eligibility Termination Notice – NEW***

Directs the Department to send notification to clients participating in the State Child Day Care program and the child care providers when client eligibility is reduced or eliminated.

**JUVENILE JUSTICE SERVICES**

***Sec. 705. W. J. Maxey Reporting Requirement – REVISED***

Requires an annual report on the W.J. Maxey facility, outlines required assessment and treatment issues, and includes a new comparative analysis of public training schools and private facilities.

***Sec. 716. Appraisal and Sale of Excess Maxey Property – VETOED***

Directs the Department to work with DMB to obtain an appraisal and pursue the sale of the excess property located at the Maxey facility. Appropriates \$5.0 million for salaries and wages and contractual services, supplies, and materials within the Executive Operations unit contingent upon the property sale.

**LOCAL OFFICE STAFF AND OPERATIONS**

***Sec. 750. Out-Stationed Eligibility Workers – NEW***

Requires FIA to maintain out-stationed eligibility specialists at the same locations and staffing levels that exist in FY 2002-03.

**CHILD SUPPORT ENFORCEMENT**

***Sec. 901. Child Support Incentive Payments – REVISED***

Allows the Department to retain portions of federal child support incentive payments and expend them for various child support collection efforts. Provides guidelines for counties to avoid penalty payment. Increases the incentive payment amount FIA may retain, identifies minimum payment levels to counties. It also requires the Department to enter into a cooperative agreement with the Attorney General to support child support enforcement activities.

**FY 2002-03**

***Sec. 1001. CSES Penalty Refund Appropriation – NEW***

Authorizes up to \$16.1 million of the CSES penalty refund for the child support enforcement system, caseload costs, and the transitional work support program. Sec. 413 in the current-year FIA budget (2002 Public Act 529) is repealed.